GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:34
ANSWERED ON:17.07.2017
Setting up of MSMEs
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Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Government proposes to set up new Micro, Small and Medium Enterprises (MSMEs) sector in various States of the country including Andhra Pradesh during the current year and in near future; and

(b) if so, the details thereof, State/UT-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a) & (b): Government of India does not set up MSME units in the States. However, Ministry of MSME is implementing Prime Minister's Employment Generation Programme (PMEGP) which is a major credit-linked subsidy programme aimed at generating self-employment opportunities through establishment of micro-enterprises in the non-farm sector. The maximum cost of projects is Rs. 25 lakh in the manufacturing sector and Rs. 10 lakh in the service sector. General category beneficiaries can avail of margin money subsidy of 25 % of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as SC/ST/OBC/ minorities/women, ex-serviceman, physically handicapped, NER, Hill and Border areas etc. the margin money subsidy is 35% in rural areas and 25% in urban areas. Khadi and Village Industries Commission (KVIC) is the nodal implementing agency at the national level. KVIC, Khadi & Village Industry Boards (KVIB) and District Industry Centres (DIC) are the implementing agencies in the States. Financial assistance/loans is provided through Banks, Government pays margin money subsidy to the beneficiaries through KVIC at the above mentioned rates for different categories.

Government of India has fixed target under the PMEGP Scheme for various States of the country including Andhra Pradesh for the current year to set up new projects by entrepreneurs is placed at Annexure-I.

Ministry of MSME through Coir Board is also implementing various Schemes/programmes through its field level offices to assist entrepreneurs to set up new Micro, Small and Medium Enterprises (MSMEs) in all coconut producing states including Andhra Pradesh. The details of schemes being implemented by the Board are as follows:

1. Mahila Coir Yojana (MCY) is an exclusive scheme for rural women artisans, training is given in spinning of coir yarn/various coir processing activities to rural women in regions producing coir fibre in the country, through all training centres of the Coir Board. The scheme envisages distribution of motorized ratts/motorized traditional ratts and other coir processing equipments at 75% subsidy subject to a maximum of Rs. 7500/- to set up their coir unit which can be operated by women after completion of the 2 months training programme. During the training period, the women artisans are given stipend amounting Rs. 1000 per month.

2. Scheme for the Development of Production Infrastructure (DPI) - The Scheme envisages provision of financial assistance for the development of infrastructure and setting up new coir units and modernization of existing units for the sustainable growth of the coir sector. The quantum of assistance eligible to the unit is at the rate of 25% of the cost of equipment and infrastructure facilities, subject to a maximum of Rs.6,00,000/- for setting up of new unit and Rs. 2,00,000/- for modernization of existing unit. In the case of units producing multiple items the maximum amount of subsidy admissible is Rs. 9,00,000/-.

3. Coir Udyami Yojana (CUY) is a credit linked subsidy scheme providing assistance for setting up of any type of coir units with a maximum admissible cost of project upto Rs.10 lakhs plus working capital, which shall not exceed 25% of the project cost. The pattern of assistance under the scheme is 40% of the project cost as Government of India subsidy, 55% as loan from Banks and 5% as beneficiary contribution.

Number of beneficiaries/units benefited by financial assistance under MCY, DPI and CUY schemes for commencement of enterprises during the last three years is placed at Annexure-II.